
From: Graeme J Peters <gpeters@electricity.org.nz>
Sent: Friday, 6 May 2016 8:27 a.m.
To: Dane Gunnell
Subject: CPP IM Reducing Cost and Complexity - Schedule D
Attachments: Schedule D clean 4 May.docx; Schedule D marked up 4 May.docx

Hello Dane

Further to the Commission's CPP IM Reducing Cost and Complexity Workshop, PwC on behalf of the ENA have drafted an alternative approach to defining the CPP Information requirements for capex and opex and related matters - as currently set out in Schedule D of the IMs. This approach leverages the existing regulatory disclosure AMP requirements, by focussing on the additional information that would be included in a CPP proposal, over and above that which is required for an AMP.

Given the limited time available, a comprehensive redraft of Schedule D has not been undertaken, rather our focus has been to illustrate how the interface with the AMP could be reflected in Schedule D in a way to minimise cost and complexity for the Commission, the verifier and the CPP applicants.

We note that there will be further opportunity to comment on the drafting at Draft Decision stage - and therefore wish to stress that:

- this draft has not been reviewed by all ENA members
- we consider that further improvements can be made to the Schedule and therefore the attached draft should not be viewed the ENA's final view on Schedule D
- certain sections (such as related party disclosures and unit cost escalators) have not been assessed since the workshop - as these are not linked to the AMP.

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SCHEDULE D **CAPITAL AND OPERATING EXPENDITURE INFORMATION**

D1 Interpretation *[note – we have not made any amendments to the definitions; the purpose of this suggested drafting relates to the structure of the clauses and relationship with the AMP – thus this section has been removed for presentation purposes only]*

D2 Instructions relating to provision of information

- (1) A **CPP proposal** must-
 - (a) unless otherwise agreed in writing by the **Commission**, include all information required in-
 - (i) Attachment A of the **ID Determination** or any successor to that Attachment A; and
 - (ii) this Schedule.
 - (b) contain a table that, in respect of each clause of this schedule-
 - (i) provides a reference to the place where in the **CPP proposal** a response is provided; and
 - (ii) gives the title and page reference to any separate **document** identified in response, including in the case where the **document** in question is provided in the **CPP proposal**.
- (2) Where information provided in accordance with these requirements differs from the most recent information provided by the **EDB** to the **Commission** in accordance with any obligation under Part 4 of the **Act**, a **CPP proposal** must-
 - (i) identify the differences; and
 - (ii) give reasons for such differences.
- (3) Where information required by this Schedule is omitted from a **CPP proposal**, the **CPP proposal** must contain an explanation for each such omission.
- (4) A **CPP applicant** may comply with subclause (1) by:
 - (a) reproducing its **asset management plan** with the additional material required by this schedule included; or
 - (b) including an asset management plan as a separate document.

- (5) Information in the asset management plan that meets the requirements of this schedule need not be repeated elsewhere in the CPP proposal but must be referenced in the table included in accordance with subclause (1)(b).
- (6) Further to clause 3.4 of Attachment A of the ID Determination, additional information required to be included in the CPP proposal need only apply to the current period, the assessment period and the next period.
- (7) For the avoidance of doubt-
 - (a) the content of the **CPP proposal** as initially provided to the **verifier** will not include information required by this schedule in relation to **projects** or **programmes** falling under paragraph (c) of the definition in this schedule of identified programme; and
 - (b) such information-
 - (i) need only be provided to the **verifier** upon the **verifier's** request; and
 - (ii) is required to be included in the **CPP proposal** as provided to the **Commission**.

Qualitative Information *[note: this clause has been deleted as these items are specified in relation to particular categories below]*

D3 Governance and organisational structure

- (1) In addition to the information required by clause 3.7 of Attachment A of the ID Determination, provide-
 - (a) the current organisational structure of the EDB and a description of any separate organisation used to manage capex and opex; and
 - (b) a description of any anticipated changes during the **next period** to the organisational structure.
- (2) In addition to the information required by clause 3.13 of Attachment A of the ID Determination, describe the procedures and processes used by the **EDB** to-
 - (a) plan and develop;
 - (b) approve;
 - (c) implement; and
 - (d) monitor;the capex and opex projects and programmes described in the **CPP proposal**.

D4 Network asset information *[note: this clause is much shorter as it was almost verbatim to clause 4 in the AMP and is therefore unnecessary to repeat]*

- (1) In relation to the information required by clause 4 of Attachment A of the **ID Determination**:
- (a) where information is based on estimates, this must be explicitly stated;
 - (b) quantities of assets must be presented in a way that clearly describes the size and scope of regulated assets, but need not include detailed lists or schedules as would be included in a complete asset register or inventory.

D5 Service levels

Where not included in information provided in respect of clause 5 of Attachment A of the ID Determination Provide-

- (a) a description as to how each performance indicator and performance target described in accordance with clause 5 of Attachment A of the ID Determination -
 - (i) relates to the **EDB's relevant policies**; and
 - (ii) reflects the **expenditure objective**; and
- (b) for each performance indicator identified and defined in accordance with subclause (a):
 - (i) the measured performance for each year of the **current period**; and
 - (ii) the target performance for each year of the **next period**; and
- (c) a comparison and evaluation of each actual **service level** achieved for each **disclosure year** in the **current period** against each relevant performance target , including explanations for all significant variances.

D6 Demand, consumer numbers and generation forecasts *[note: this clause has been moved into network development planning section]*

D7 Network Development Planning *[note: this clause incorporates all system growth, connection and reliability, safety and environment capex into a single section, consistent with the structure of the AMP]*

- (1) The description of network development plans required in clause 11 of Attachment A of the **ID Determination** must include the additional information specified in this clause.
- (2) For **system growth capex, consumer connection and asset relocation capex** and **reliability, safety and environment capex**:
 - (a) identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing these **capex forecasts**; and
 - (b) .where appropriate, identify their relevance to each category of capex.
- (3) In addition to the information required by clauses 11.1-11.6 of Attachment A of the ID Determination, provide the rationale for the planning criteria and assumptions for network development for **system growth capex, consumer connection and asset relocation capex** and **reliability, safety and environment capex**.
- (4) In addition to the information required by clause 11.7 of Attachment A of the ID Determination, provide the rationale for the prioritisation process and criteria.
- (5) In addition to the information on demand forecasts required by clause 11.8 of Attachment A of the ID Determination-
 - (a) describe and explain the methodology used to prepare the relevant forecasts, including-
 - (i) any sensitivity analysis undertaken;
 - (ii) any weather normalisation methodology used and how weather data has been used; and
 - (iii) the models used (including each model's key inputs and assumptions); and
 - (b) provide-
 - (i) an outline of the treatment of very large loads, uncertain loads and significant loads transferred, or expected to be transferred, between

- different parts of the **network** (e.g. between zone substations and/or between feeders);
- (ii) details of the location, types and aggregate levels of any distributed generation and assumptions relating to the impact they may have on **network** forecasts; and
 - (iii) details of the effect that any demand management systems or initiatives and any other new or emerging technologies may have on **network** forecasts and the extent to which they have been included in the forecasts in the **CPP proposal**.
- (6) For the forecasts of consumer connections, embedded generation and electricity volumes provided in the relevant templates in Schedule E-
- (a) describe and explain the methodology used to prepare the relevant forecasts including-
 - (i) any sensitivity analysis undertaken;
 - (ii) any weather normalisation methodology used and how weather data has been used; and
 - (iii) the models used (including each model's key inputs and assumptions); and
- (7) In addition to the information required by clause 11.9 of Attachment A of the **ID Determination**, provide-
- (a) for **system growth capex** a description of, and the rationale for, the planning standards, and key assumptions relied on by the EDB in determining the need to augment its network;
 - (b) for **reliability, safety and environment capex** a description of any models developed by or for the EDB to determine the **reliability, safety and environment capex** including the rationale for all key input assumptions; and
 - (c) for **consumer connection and asset relocation capex**-
 - (i) key assumptions and a list of policies relevant to apportioning costs, where costs are not fully recovered from a capital contribution,; and
 - (ii) the rationale and basis for determining the forecast amount, including a description of any modelling used; and
 - (iii) provide this information separately for **consumer connection capex** and for **asset relocation capex**.

- (8) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for each **system growth capex project and programme** included in the capex forecast provide-
- (a) a description of the project or programme including the assumed number and ratings of significant new assets and, where appropriate, a single-line diagram showing how it is assumed that the assets will be integrated into the existing network;
 - (b) the estimated cost of the project or programme, disaggregated by disclosure year, including costs already incurred in the current period.
- (9) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for each **reliability, safety and environment capex project and programme** included in the capex forecast provide-
- (a) a description of the project or programme including the assumed number and ratings of significant new assets;
 - (b) a discussion of key assumptions and the rationale for making those assumptions;
 - (c) a description of models used and key input assumptions and data sources, including a discussion of relevant data systems and any limitations in the data;
 - (d) an indication of the project's or programme's current status in the planning process; and
 - (e) the estimated cost of the project or programme, disaggregated by disclosure year, including costs already incurred in the current period.
- (10) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for any **consumer connection capex** and **asset relocation capex project and programme**, provide a description and the estimated costs of any specific project or programme included in the forecast.
- (11) In addition to the information required by clause 11.12 of Attachment A of the ID Determination, and, where not provided in response to clause (2), identify the EDB's policies regarding the application of new or emerging technologies.

D8 Lifecycle asset management planning (maintenance and renewal) *[note: this clause incorporates all network opex and replacement and renewal capex into a single section, consistent with the structure of the AMP]*

- (1) The description of Lifecycle Asset Management Planning required in clause 12 of Attachment A of the **ID Determination** must include the additional information specified in this clause.
- (2) In addition to the information required by clauses 12.1 and 12.2 of Attachment A of the **ID Determination**, for each of **service interruptions and emergencies opex**, **vegetation management opex** and **routine and corrective maintenance opex** describe the approach used to prepare the expenditure forecast and provide:
 - (a) details and rationale for each relevant key assumption;
 - (b) a description of any models used;
 - (c) a description of any new expenditure or forecast changes to the level of expenditure on existing network opex programmes over the course of the next period that will have a material effect on the network maintenance opex forecast, including-
 - (i) the rationale for and timing of these changes;
 - (ii) an assessment of the impact of these changes on the service levels provided by the EDB; and
 - (iii) the impact of these changes on the opex forecast.
- (3) Identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing the **forecasts of service interruptions and emergencies opex**, **vegetation management opex** and **routine and corrective maintenance opex**.
- (4) In addition to the information required by clause 12.3 of Attachment A of the **ID Determination**, for **asset replacement and renewal capex** and **asset replacement and renewal opex** provide-
 - (a) a description of the criteria used to determine whether the expenditure is capex or opex;
 - (b) a description of the prioritisation methodology adopted for asset replacement projects and programmes; and
 - (c) a description of any asset replacement models developed by or for the EDB to determine asset replacement and renewal expenditure, including the rationale for any key assumptions relating to the model inputs.

- (5) Identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing the **forecasts of asset replacement and renewal capex or opex**.
- (6) In addition to the information required by subclauses 12.3.3 – 12.3.5 of Attachment A of the ID Determination, for each **asset replacement and renewal capex or opex project and programme** provide-
 - (a) a description of and the rationale for the projects and programmes;
 - (b) where relevant, an overview of any network and non-network alternatives considered and the basis for selecting the preferred solution;
 - (c) an indication of the project's or programme's current status in the planning process;
 - (d) the actual and forecast expenditure on each project or programme described in subclause (a) disaggregated by regulatory year in both the current period and the next period; and
 - (e) a description of the methodology, including any relevant modelling and the rationale for material model input assumptions used by the EDB to determine the forecast expenditure over the next period on the projects or programmes described in subclause (a).
- (7) Explain how any anticipated system growth associated with the replacement of assets before the end of their asset life has been taken into account in the **asset replacement and renewal capex** forecast for the **next period**.

D9 Non-network fixed assets capital expenditure information

- (1) In addition to the information required by clause 13 of Attachment A of the ID Determination, for **non-network fixed assets capex** in the **capex forecast** provide the rationale and the basis for determining the forecast amount, including a description of any modelling used, for the expenditure in the largest two of the following expenditure categories by dollar value:
 - (a) information and technology systems;
 - (b) asset management systems;
 - (c) office buildings, depots and workshops;
 - (d) office furniture and equipment;
 - (e) motor vehicles; and
 - (f) tools, plant and machinery.

- (2) The information required by subclause (1) need not be provided if the total non-network assets capex forecast is less than 5% of the total capex forecast.

D10 Business Support, System Operations and Network Support operating expenditure

- (1) For **business support opex** and **system operations and network support opex** describe-
 - (a) details of the extent to which business support and network support costs have been included in the capex forecast. Sufficient information must be provided to enable the actual and forecast allocation of **business support** and **system operations and network support** costs to capex to be separately identified for each disclosure year of both the current period and the next period.
 - (2) Identify all relevant documents, policies and consultant reports that were taken into account in preparing these opex forecasts
 - (3) Describe any anticipated material changes to the information provided in subclause (1) over the course of the next period, including the rationale for and timing of the changes, and the impact of the changes on the opex forecast.
 - (4) Describe the approach used to prepare the relevant opex forecast including-
 - (a) each relevant key assumption including the rationale for the assumption;
 - (b) any models used;
 - (c) the rationale for any new expenditure or step change from current levels of expenditure over the next period.
 - (5) Where appropriate, the information required by this clause should be provided separately for **business support opex** and for **system operations and network support opex**.

D11 Identified Projects and Programmes

- (1) Where not already included in information required by Attachment A of the ID Determination foreach identified project and programme provide-
 - (a) a description of the project or programme including:
 - (i) what the project or programme will accomplish;
 - (ii) location of the project or, if relevant, of the programme;

- (iii) assumed quantities and ratings of major assets, including the rationale for these assumptions;
 - (iv) where appropriate, a high-level single line diagram showing the assumed layout of the project and interfaces with the existing network; and
 - (v) other information consistent with the nature of the project or programme that is necessary to fully describe the scope of the project and what is involved in its implementation;
- (b) description of the rationale for the project or programme including the extent to which it meets the expenditure objective;
 - (c) a statement as to the project's or programme's current status in the planning process;
 - (d) an overview of potential alternatives, including non-network alternatives, and the basis for selection of the preferred option, the information provided to be commensurate with the project's or programme's current status in the planning process;
 - (e) the rationale for the proposed timing of the project or, where relevant, programme;
 - (f) where applicable, an assessment of the impact of the project or programme on the service levels provided by the EDB;
 - (g) if a programme is a continuation or extension of an existing programme, the rationale for any material changes in the forecast expenditure from the level of expenditure on the programme during the current period;
 - (h) a detailed breakdown of the estimate of the project or programme costs, disaggregated by disclosure year including a similar breakdown of any project or programme costs incurred during the current period;
 - (i) in addition to the breakdown provided in response to subclause (f):
 - (i) a description of the methodology used to prepare the estimate;
 - (ii) where applicable, the quantities provided for in the project or programme cost;
 - (iii) if not provided elsewhere in the CPP proposal, evidence that all unit or component costs used to compile the estimate are consistent with efficient currentcosts for the electricity distribution industry, taking due account of the project location; and

- (iv) identification of scope or cost uncertainties and an explanation of how such uncertainties have been taken into account in the estimate; and
- (j) details of how the EDB proposes to measure and manage the efficiency of the implementation of the project or programme;
- (k) a description of any cost benefit analyses relevant to the project or programme undertaken by or for the EDB.

D12 Risk management

- (1) In addition to the information required by clause 14.3 of Attachment A of the ID Determination, for any proposed self-insurance allowance-
 - (a) provide-
 - (i) a description of the uncertainties covered by the allowance;
 - (ii) the methodology used to calculate the self-insurance risk premium (e.g. probability multiplied by consequence);
 - (iii) a report on the calculation of each self-insurance risk premium from an actuary who is qualified to provide such advice; and
 - (iv) any quotes obtained from external insurers; and
 - (b) explain why compensation should be provided for the uncertainty.
- (2) In respect of each quote provided in accordance with subclause (1)(a)(iv)-
 - (a) state-
 - (i) the amount insured for which the quote related (if not included in the quote itself);
 - (ii) the annual premium payable or paid by the **EDB**;
 - (iii) the size of any deductible;
 - (iv) the terms and conditions of the insurance; and
 - (v) why it is not considered suitable.
- (3) Explain whether and, if so, how the costs of remediating the effects of each uncertainty for which the allowance is sought may be recovered through any other mechanism.

D13 Related parties *[this section was not considered as part of this process and has been removed for presentation purposes only]*

D14 Deliverability

- (1) In addition to clauses 14 and 16 of Attachment A of the ID Determination provide- an overview of, and outputs from, any deliverability risk assessment that the EDB has completed for part or all of the capex forecast and the opex forecast.
- (2) Where it has not been provided in risk assessment information under subclause (1), provide an overview of how the EDB plans to ensure the deliverability of the activities provided for in the capex forecast and the opex forecast, relate with particular reference to:
 - (a) a description of the prioritisation or other methodologies used to optimise delivery;
 - (b) the extent to which additional activities will be undertaken internally or outsourced;
 - (c) the EDB's ability to implement any planned step change from historical levels of expenditure and workload, including:
 - (i) the ability of contractors available to the EDB to deliver any proposed increase in workload;
 - (ii) the current level of skilled personnel, including engineering and project management personnel, available to the organisation compared to the anticipated requirement over the next period; and
 - (iii) the measures the EDB plans to take to source and secure the required additional personnel.

D15 Unit costs and expenditure escalators *(this section as not considered as part of this process and has been removed for presentation purposes only)*

SCHEDULE D **CAPITAL AND OPERATING EXPENDITURE INFORMATION**

D1 Interpretation [note – we have not made any amendments to the definitions; the purpose of this suggested drafting relates to the structure of the clauses and relationship with the AMP – thus this section has been removed for presentation purposes only]

D2 Instructions relating to provision of information

(1) A **CPP proposal** must-

(a) unless otherwise agreed in writing by the Commission, include all information required in-

(i) Attachment A of the ID Determination or any successor to that Attachment A; and

(ii) assemble all information that this Schedule.

~~(a) requires in a section of the CPP proposal entitled “Capex/Opex/Demand Qualitative Information”; and~~

(b) contain a table that, in respect of each clause of this schedule-

(i) provides a reference to the place where, in the ~~Capex/Opex/Demand Qualitative Information section of the CPP proposal~~, a response is provided; and

(ii) gives the title and page reference to any separate **document** identified in response, including in the case where the **document** in question is provided in the **CPP proposal**.

(2) Where information provided in accordance with these requirements differs from the most recent information provided by the **EDB** to the **Commission** in accordance with any obligation under Part 4 of the **Act**, a **CPP proposal** must-

(i) identify the differences; and

(ii) give reasons for such differences.

(3) Where information required by this Schedule is omitted from a **CPP proposal**, the **CPP proposal** must contain an explanation for each such omission.

(4) A CPP applicant may comply with subclause (1) by:

~~(a) , without provision of additional information, reproducing information from its **asset management plan** in response to a requirement of this Schedule, subject to subclause (5) with the additional material required by this schedule included; or~~

~~(b) including an asset management plan as a separate document.~~

~~(4)~~(5) Information in the asset management plan that meets the requirements of this schedule need not be repeated elsewhere in the CPP proposal but must be referenced in the table included in accordance with subclause (1)(b).

~~(5)~~(6) Further to clause 3.4 of Attachment A of the ID Determination, additional information required to be included in the CPP proposal need only apply to the current period, the assessment period and the next period.

~~(6) For the purpose of subclause (4), reproduction of such material is only permitted where the relevant section of the **asset management plan** clearly and succinctly provides the required information, without the need for analysis or interpretation on the part of the **verifier** or the **Commission**.~~

(7) For the avoidance of doubt-

(a) the content of the **CPP proposal** as initially provided to the **verifier** will not include information required by this schedule in relation to **projects** or **programmes** falling under paragraph (c) of the definition in this schedule of identified programme; and

(b) such information-

(i) need only be provided to the **verifier** upon the **verifier's** request; and

(ii) is required to be included in the **CPP proposal** as provided to the **Commission**.

Qualitative Information *[note: this clause has been deleted as these items are specified in relation to particular categories below]*

D3 Governance and organisational structure

(1) In addition to the information required by clause 3.7 of Attachment A of the ID Determination, provide-

(a) the current organisational structure of the EDB and a description of any separate organisation used to manage capex and opex; and

(b) a description of any anticipated changes during the **next period** to the organisational structure.

(2) In addition to the information required by clause 3.13 of Attachment A of the ID Determination, describe the procedures and processes used by the EDB to-

(a) plan and develop;

(b) approve;

(c) implement; and

(d) monitor;

the capex and opex projects and programmes described in the **CPP proposal**.

D3D4 Network asset information *[note: this clause is much shorter as it was almost verbatim to clause 4 in the AMP and is therefore unnecessary to repeat]*

~~(1) Provide details of the EDB's existing network assets including-~~

~~(a) a high level description of the distribution area that includes-~~

~~(i) identification of the distribution area(s) covered;~~

~~(ii) identification of large consumers that have a significant impact on network operations or asset management priorities;~~

~~(iii) a description of the load characteristics for different parts of the network; and~~

~~(iv) the peak demand and total electricity delivered in each disclosure year of the current period, broken down by geographically non-contiguous network, if any;~~

~~(b) a description of the existing network configuration, including-~~

~~(i) identification of bulk electricity supply points and any embedded generation with a capacity greater than 1 MW;~~

~~(ii) existing firm supply capacity and current peak load of each bulk supply point;~~

~~(iii) a description of the sub-transmission system fed from the bulk supply points, including identification and capacity of zone substations and the voltage of the sub-transmission network;~~

- ~~(iv) — identification of the sub-transmission security levels of individual zone substations, eg, n, n-1, n-2, and the rationale for the use of each level used; and~~
- ~~(v) — a description of the distribution system, including the extent to which it is underground;~~
- ~~(c) — a brief description of the network's distribution substation arrangements;~~
- ~~(d) — a description of the low voltage network, including the extent to which it is underground;~~
- ~~(e) — an overview of secondary assets such as ripple injection systems, SCADA and telecommunications systems;~~
- ~~(f) — a description of the existing network assets by asset category, including

 - ~~(i) — voltage levels;~~
 - ~~(ii) — a description and quantity of assets;~~
 - ~~(iii) — age profiles;~~
 - ~~(iv) — a discussion of the condition of the assets, further broken down as appropriate, including historic failure rates; and~~
 - ~~(v) — identification of any relevant systemic issues that may lead to the need to prematurely replace assets or parts of assets;~~~~
- ~~(g) — the sum of regulated service asset values by asset category consistent with those most recently disclosed by the EDB prior to making the CPP application pursuant to the Electricity Disclosure (Information Requirements) 2008 or an ID determination; and~~
- ~~(h) — at the EDB's option, a sum of regulated service asset values by any asset category sub-category (as 'sub-category' is defined by the EDB);~~

~~(2)(1) For the purpose of subclause (1) In relation to the information required by clause 4 of Attachment A of the ID Determination:~~

- ~~(a) where information is based on estimates, this must be explicitly stated;~~
- ~~(b) quantities of assets must be presented in a way that clearly describes the size and scope of the regulated assets base, but need not include detailed lists or schedules as would be included in a complete asset register or inventory; and.~~

~~(3) Provide-~~

- ~~(a) all **policies** relied upon in whole or in part in preparing the response to~~
 - ~~(i) this schedule; and~~
 - ~~(ii) any other requirement of Subpart 4 Section 8 of Part 5; and~~
- ~~(b) where the rationale is not already included in the **policies** themselves, the rationale for the **policies** provided in accordance with paragraph (a), including any consultants' reports relied upon in preparing the **policies**.~~
- ~~(4) Identify all consultants' reports **Commissioned** for the purpose of preparing the **capex forecast** or **opex forecast**.~~
- ~~(5) Where information from the **CPP applicant's asset management plan** has been included in the **CPP proposal** in response to a requirement of this clause, provide an index of explicit references to the sections and paragraphs of the **asset management plan** relied upon.~~

~~D4D5~~ **Categorisation of services** Service levels

~~For each **service category** relevant to the **electricity distribution services** provided by the **EDB**, Where not included in information provided in respect of clause 5 of Attachment A of the ID Determination Provide-~~

- ~~(a) a description of the **EDB's services** that fall within it, including-~~
 - ~~(i) its key service features and specifications;~~
 - ~~(ii) the identity of the intended **consumers** of the services;~~
 - ~~(iii) the processes used to determine the features and specifications of each service; and~~
 - ~~(iv) any material changes to the **services** proposed for the **next period**;~~
- ~~(b) the **service measures**, including a description as to how these have been defined, relating to-~~
 - ~~(i) categories of **consumers**;~~
 - ~~(ii) asset performance, asset efficiency and effectiveness;~~
 - ~~(iii) efficiency of the **EDB's business** activities; and~~
 - ~~(iv) the **EDB's** obligations;~~
- ~~(c) a corresponding target **service level** for each **service measure**;~~

- ~~(d)~~(a) a description as to how each performance indicator and performance target described in accordance with clause 5 of Attachment A of the ID Determination service level-
- ~~(i) — was determined, including a description of any consumer consultation used to specify it; and~~
- (i) relates to the EDB's relevant policies; and
- (ii) reflects the expenditure objective; and
- ~~(b)~~ for each performance indicator identified and defined in accordance with subclause (a):
- ~~(i) the measured performance for each year of the current period; and~~
- ~~(ii) the target performance for each year of the next period; and~~
- ~~(c)~~ a comparison and evaluation of each actual service level achieved for each disclosure year in the current period against each relevant performance target service level for each relevant service measure, including explanations for all significant variances, and, for each significant variance, an explanation of the action being taken or proposed to improve performance; and
- ~~(iii) —~~
- ~~details of all proposed changes to the target service levels for each service measure, including-~~
- ~~the rationale for all proposed changes with reference to relevant consumer demands and the EDB's obligations; and~~
- ~~a description of how the proposed changes were taken into account in preparing the CPP proposal.~~
- ~~(e) — 'geographically non-contiguous network' means a network that is physically separate from another network except where-~~
- ~~(i) — its total circuit length capable of conveying electricity at a voltage equal to or greater than 3.3 kilovolts is shorter than 25 kilometres;~~
- ~~(ii) — it conveyed fewer than 20 gigawatt hours of electricity in the most recent disclosure year prior to submission of the CPP application;~~
- ~~(iii) — its lines are not connected, whether directly or indirectly, to the national grid (as 'national grid' is defined in s 5 of the Electricity Industry Act 2010);~~
- ~~or~~

~~(iv) it conveys electricity to fewer than 2000 ICPs (as 'ICP' is defined in s 54D(2) of the Act).~~

D5D6 Demand, consumer numbers and generation forecasts *[note: this clause has been moved into network development planning section]*

~~the extent to which the forecasting methodology used is consistent with and has taken into account historical observations;~~

~~whether forecast data is internally consistent at and between each level of aggregation down to at least the zone substation level; and~~

D6D7 Network Development Planning *[note: this clause incorporates all system growth, connection and reliability, safety and environment capex into a single section, consistent with the structure of the AMP]* **Capital expenditure**

- (1) The description of network development plans required in clause 11 of Attachment A of the ID Determination must include the additional information specified in this clause.
- (2) For **each capex category, system growth capex, consumer connection and asset relocation capex and reliability, safety and environment capex:**
 - (a) included in the capex forecast identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing these **capex forecasts; and**
 - (b) where appropriate, identify their relevance to each category of capex.
- (3) In addition to the information required by clauses 11.1-11.6 of Attachment A of the ID Determination, provide the rationale for the planning criteria and assumptions for network development for **system growth capex, consumer connection and asset relocation capex and reliability, safety and environment capex.**
- (4) In addition to the information required by clause 11.7 of Attachment A of the ID Determination, provide the rationale for the prioritisation process and criteria.
- (5) For each **key assumption** relating to maximum demand, electricity supplied, consumer numbers, embedded generation and distributed generation In addition to the information on demand forecasts required by clause 11.8 of Attachment A of the ID Determination-
 - (a) describe and explain the methodology used to prepare the relevant forecasts, including-
 - (i) any sensitivity analysis undertaken;

(ii) any weather normalisation methodology used and how weather data has been used; and

(iii) the models used (including each model's key inputs and assumptions); and

(b) provide-

(i) an outline of the treatment of very large loads, uncertain loads and significant loads transferred, or expected to be transferred, between different parts of the **network** (e.g. between zone substations and/or between feeders);

(ii) details of the location, types and aggregate levels of any distributed generation and assumptions relating to the impact they may have on **network** forecasts; and

(iii) details of the effect that any demand management systems or initiatives and any other new or emerging technologies may have on **network** forecasts and the extent to which they have been included in the forecasts in the **CPP proposal**.

~~(1)(6) Provide forecasts~~ For the forecasts of consumer connections, embedded generation and electricity volumes ~~carried~~ provided in the relevant templates in Schedule E-

~~(a) explain how it was relied upon in the **CPP proposal**;~~

~~(b)(a) provide,~~ describe and explain the methodology used to prepare the relevant forecasts ~~(to at least zone substation level) relating to demand forecasts for each disclosure year in the next period,~~ including details of-

(i) any sensitivity analysis undertaken;

(ii) any weather normalisation methodology used and how weather data has been used; and

(iii) the models used (including each model's key inputs and assumptions); and

~~(c) provide-~~

~~(i) an outline of the treatment of very large loads, uncertain loads and significant loads transferred, or expected to be transferred, between different parts of the **network** (e.g. between zone substations and/or between feeders);~~

- ~~(ii) — assumptions of **consumer** numbers in total and by the **consumer** categories used by the **EDB**;~~
- ~~(iii) — assumptions of energy volumes **supplied to consumers** by each category referred to in sub-paragraph (ii);~~
- ~~(iv) — assumptions relating to average **consumer** energy usage by each category referred to in sub-paragraph (ii);~~
- ~~(v) — details of the location, type and size of any embedded generators and assumptions relating to the impact they may have on **network** forecasts;~~
- ~~(vi) — details of the location, types and aggregate levels of any distributed generation and assumptions relating to the impact they may have on **network** forecasts; and~~
- ~~(vii) — details of the effect that any demand management systems or initiatives may have on **network** forecasts.~~

~~Explain the extent to which the forecasting methodology used is consistent with the methodology used to derive the forecast quantities as required by clause 5.3.4(7).~~

~~(d) —~~

(7) In addition to the information required by clause 11.9 of Attachment A of the **ID Determination**, provide-

- (a) for **system growth capex** a description of, and the rationale for, the planning standards, and key assumptions relied on by the EDB in determining the need to augment its network;
- (b) for **reliability, safety and environment capex** a description of any models developed by or for the EDB to determine the **reliability, safety and environment capex** including the rationale for all key input assumptions; and
- (c) for **consumer connection and asset relocation capex-**
 - (i) key assumptions and a list of policies relevant to apportioning costs, where costs are not fully recovered from a capital contribution, ~~together with any relevant modelling supporting the position taken by the EDB in regard to the apportioning of costs;~~ and
 - (ii) the rationale and basis for determining the forecast amount, including a description of any modelling used; and
 - (iii) provide this information separately for **consumer connection capex** and for **asset relocation capex**.

(8) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for each **system growth capex project and programme** included in the capex forecast provide-

- (a) a description of the project or programme including the assumed number and ratings of significant new assets and, where appropriate, a single-line diagram showing how it is assumed that the assets will be integrated into the existing network;
- (b) the estimated cost of the project or programme, disggregated by disclosure year, including costs already incurred in the current period.

(9) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for each **reliability, safety and environment capex project and programme** included in the capex forecast provide-

- (a) a description of the project or programme including the assumed number and ratings of significant new assets;
- (b) a discussion of key assumptions and the rationale for making those assumptions;
- (c) a description of models used and key input assumptions and data sources, including a discussion of relevant data systems and any limitations in the data;
- (d) an indication of the project's or programme's current status in the planning process; and
- (e) the estimated cost of the project or programme, disggregated by disclosure year, including costs already incurred in the current period.

(10) In addition to the information required in clause 11.10 of Attachment A of the ID Determination, for any **consumer connection capex** and **asset relocation capex project and programme**, provide a description and the estimated costs of any specific project or programme included in the forecast.

~~provide an overall description including the aims and objectives of the **capex category**;~~
~~provide an explanation as to its **deliverability**, with reference to factors likely to affect the **capex category** as a whole; and~~

(11) In addition to the information required by clause 11.12 of Attachment A of the ID Determination, and, where not provided in response to clause (2), identify the EDB's policies regarding the application of new or emerging technologies.

- ~~(2) For each **identified programme** included in the **capex forecast**~~
- ~~(a) provide an overall description including the aims and objectives of the **identified programme**;~~
 - ~~(b) provide an explanation as to its **deliverability**, with reference to factors likely to specifically affect that **identified programme**;~~
 - ~~(c) provide details of all contingency factors provided for, including how they were calculated and what uncertainties they account for;~~
 - ~~(d) state~~
 - ~~(i) each relevant **key assumption**;~~
 - ~~(ii) each relevant **obligation**; and~~
 - ~~(iii) any **step change** and its effect on the **capex forecast** for the **identified programme**;~~
 - ~~(e) explain all departures from any conclusions and recommendations contained in each consultant's report identified in accordance with subclause (1)(c); and~~
 - ~~(f) explain the methodology used to generate the **capex forecast** for the **identified programme**, including but not limited to details regarding~~
 - ~~(i) any cost benchmarking undertaken by or for the **EDB**;~~
 - ~~(ii) internal historical cost trends (for specific **asset categories**) relied upon;~~
 - ~~(iii) material changes to work backlogs;~~
 - ~~(iv) all **network** alternative projects and/or programmes considered;~~
 - ~~(v) all non-**network** alternatives that were considered, whether adopted or not, and the reason(s) for rejecting them;~~
 - ~~(vi) all cost benefit analyses undertaken;~~
 - ~~(vii) all contingency factors provided for, including how they were calculated and what uncertainties they account for; and~~
 - ~~(viii) any **step change** from historical costs in any cost component included in the **identified programme** and its effect on the **capex forecast**.~~
- ~~(3) For each **policy** identified in response to subclause (1)(c), explain~~
- ~~(a) how it was taken into account and complied with; and~~
 - ~~(b) how relevant **planning standards** have been incorporated.~~
- ~~(4) For each **key assumption** identified in accordance with subclause (2)(d)(i)~~

- ~~(a) provide the method and information used to develop the assumption; and~~
- ~~(b) explain how the assumption has been applied and its effect on the **capex forecast**.~~

~~Where any **identified programme**, other than a **project** or **programme** to be undertaken for the foreseeable future, is forecast to terminate after the end of the **next period**, in addition to the information required by subclause (2), provide any additional information relevant to **capex forecast** to the end of the **identified programme**.~~

- ~~(5) For each **project** and **programme** (other than **identified programmes**) included in the **capex forecast**-~~
- ~~(6) explain-~~
- ~~(7) how each relevant **policy** identified in response to subclause (1)(c) was taken into account and complied with; and~~
- ~~(8) how the relevant **planning standards** have been incorporated; and~~
- ~~(9) provide details of all contingency factors provided for, including how they were calculated and what uncertainties they account for.~~

~~D7 System growth capital expenditure information~~

~~For **system growth capex**, provide-~~

- ~~(a) a description of the relevant **planning standards** and relevant **key assumptions**;~~
- ~~(b) a description of the prioritisation methodology adopted for system growth **projects** and **programmes**;~~
- ~~(c) details of the specific **network** locations where constraints are expected due to forecast load increases;~~
- ~~(d) relevant **policies** for purchasing **land** and **easements** for future use;~~
- ~~(e) relevant **policies** on embedded and distributed generation;~~
- ~~(f) relevant **policies** on non-network solutions;~~
- ~~(g) where rationale is not already included in the **policy** documents, rationale for the **policies** provided in accordance with paragraphs (d) to (f);~~
- ~~(h) an analysis of the **network** and non-network development options available;~~
- ~~(i) details of the planning decisions made to meet each relevant target **service level**; and~~

- ~~(j) — a description and identification of the system growth programme including~~
 - ~~(i) — provisions made in respect of embedded and distributed generation and non-network solutions;~~
 - ~~(ii) — actions to be taken, including clear linkages to the forecast expenditures in each of the associated projects and programmes;~~
 - ~~(iii) — a detailed description of each project in the capex forecast that has commenced or is committed; and~~
 - ~~(iv) — a description of each project or programme that is not committed but is planned to commence in the next period, the information being provided to be commensurate with the project's or programme's current status in the planning process.~~

~~D8 — Asset replacement and renewal capital expenditure information~~

- ~~(1) — For asset replacement and renewal capex provide—~~
 - ~~(a) — a description of the relevant policies and key assumptions relating to the circumstances in which capex should be incurred based on—~~
 - ~~(i) — the age or reliability profile of an asset by comparison with the condition of an asset and vice versa; and~~
 - ~~(ii) — replacement of an asset rather than renewing it and vice versa;~~
 - ~~(b) — where rationale is not already included in the policy documents, the rationale for the policies and key assumptions provided in accordance with paragraph (a);~~
 - ~~(c) — any asset replacement models developed by or for the EDB to determine asset replacement and renewal capex, including—~~
 - ~~(i) — all supporting documentation for the models used; and~~
 - ~~(ii) — any other relevant considerations; and~~
 - ~~(d) — a description and identification of replacement and renewal programmes or actions to be taken for each asset category.~~
- ~~(2) — Explain whether and how the matters provided and identified in accordance with subclause (1)—~~
 - ~~(a) — were taken into account in the capex forecast; and~~
 - ~~(b) — affected forecast asset replacement and renewal capex by comparison with the equivalent actual capex incurred.~~

- ~~(3) Explain how any proposed system growth associated with the replacement of assets before the end of their **asset life** has been taken into account in the **asset replacement and renewal capex** for the **next period**.~~

~~D9—Reliability, safety and environment capital expenditure information~~

~~For **reliability, safety and environment capex**~~

- ~~(a) describe the implications (including timing) of complying with any~~
- ~~(i) new **obligation**; or~~
 - ~~(ii) substantive amendment to any current such **obligation** that is reasonably anticipated to occur during the **next period**,~~
concerned with safety or environmental protection relevant to the ~~**supply of electricity distribution services**~~ by the ~~**EDB**~~;
- ~~(b) explain how these new obligations or substantive amendments to **obligations** have been taken into account in the **CPP proposal**;~~
- ~~(c) describe~~
- ~~(i) the relevant risk management **policies**;~~
 - ~~(ii) risk assessments and risk mitigation or risk prevention measures employed during the **current period**, including those pursuant to or in response to an **obligation** or a **step change** to an **obligation**; and~~
 - ~~(iii) all risk mitigation measures identified and proposed to be deployed in the **next period**, including methods, details and conclusions of risk assessments and details of emergency response and contingency plans; and~~
- ~~(d) where rationale is not already included in the **policy** documents provide the rationale for the **policies** provided in accordance with paragraph (c).~~

~~D10—Non-system fixed assets capital expenditure information~~

~~For **non-system fixed assets capex** in the **capex forecast** provide the rationale for the expenditure in the largest two of the following expenditure categories by dollar value:~~

- ~~(a) asset management systems;~~
- ~~(b) information and technology systems;~~
- ~~(c) motor vehicles;~~
- ~~(d) office buildings, depots and workshops;~~

~~(e) office furniture and equipment; and~~

~~(f) tools, plant and machinery.~~

~~D11D8 Operating and maintenance expenditure~~ **Lifecycle asset management planning**

(maintenance and renewal) *[note: this clause incorporates all network opex and replacement and renewal capex into a single section, consistent with the structure of the AMP]*

- (1) The description of Lifecycle Asset Management Planning required in clause 12 of Attachment A of the ID Determination must include the additional information specified in this clause.
- (2) In addition to the information required by clauses 12.1 and 12.2 of Attachment A of the ID Determination, for each of **service interruptions and emergencies opex**, **vegetation management opex** and **routine and corrective maintenance opex** describe the approach used to prepare the expenditure forecast and provide:
 - (a) details and rationale for each relevant key assumption;
 - (b) a description of any models used;
 - (c) a description of any new expenditure or forecast changes to the level of expenditure on existing network opex programmes over the course of the next period that will have a material effect on the network maintenance opex forecast, including-
 - (i) the rationale for and timing of these changes;
 - (ii) an assessment of the impact of these changes on the service levels provided by the EDB; and
 - (iii) the impact of these changes on the opex forecast.
- (3) Identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing the **forecasts of service interruptions and emergencies opex**, **vegetation management opex** and **routine and corrective maintenance opex**.
- (4) In addition to the information required by clause 12.3 of Attachment A of the ID Determination, for **asset replacement and renewal capex** and **asset replacement and renewal opex** provide-
 - (a) a description of the criteria used to determine whether the expenditure is capex or opex;
 - (b) a description of the prioritisation methodology adopted for asset replacement projects and programmes; and

- (c) a description of any asset replacement models developed by or for the EDB to determine asset replacement and renewal expenditure, including the rationale for any key assumptions relating to the model inputs.
- (5) Identify all relevant documents, **policies** and consultant's reports that were taken into account in preparing the **forecasts of asset replacement and renewal capex or opex.**
- (6) In addition to the information required by subclauses 12.3.3 – 12.3.5 of Attachment A of the ID Determination, for each **asset replacement and renewal capex or opex project and programme** provide-
- (a) a description of and the rationale for the projects and programmes;
- (b) where relevant, an overview of any network and non-network alternatives considered and the basis for selecting the preferred solution;
- (c) an indication of the project's or programme's current status in the planning process;
- (d) the actual and forecast expenditure on each project or programme described in subclause (a) disaggregated by regulatory year in both the current period and the next period; and
- (e) a description of the methodology, including any relevant modelling and the rationale for material model input assumptions used by the EDB to determine the forecast expenditure over the next period on the projects or programmes described in subclause (a).
- (7) Explain how any anticipated system growth associated with the replacement of assets before the end of their asset life has been taken into account in the **asset replacement and renewal capex** forecast for the **next period.**
- ~~(2) For each **opex category** included in the **opex forecast**-~~
- ~~(a) provide an overall description including the aims and objectives of the **opex category**;~~
- ~~(b) provide an explanation as to its **deliverability**, with reference to factors likely to affect the **opex category** as a whole; and~~
- ~~(c) identify all relevant documents, **policies** and consultants' reports that were taken into account in preparing the **opex forecast.**~~
- ~~(3) For each **identified programme** included in the **opex forecast**-~~
- ~~(a) provide-~~

- (i) — an overall description including the aims and objectives of the **identified programme**;
 - (ii) — an explanation as to its **deliverability**, with reference to factors likely to affect that **identified programme** specifically; and
 - (iii) — details of all contingency factors provided for, including how they were calculated and what uncertainties they account for;
- (b) — identify—
- (i) — each relevant **key assumption**;
 - (ii) — each relevant **obligation**; and
 - (iii) — any **step change** and its effect on the **opex forecast** for the **identified programme**; and
- (c) — explain—
- (i) — whether a **base year approach** was used in forecasting, and if so, identify the **base year** used and, if it is not a year in the **current period** (for which data will have been provided), provide the relevant data from that **base year**;
 - (ii) — all departures from any conclusions and recommendations contained in each consultant's report identified in accordance with subclause (1)(c); and
 - (iii) — the methodology used to generate the **opex forecast** for the **identified programme**.
- (4) — For the purpose of subclause (2)(c)(iii), such methodology must include, as a minimum, details regarding—
- (a) — any cost benchmarking undertaken by or for the **EDB**;
 - (b) — internal historical cost trends (for specific asset categories) relied upon;
 - (c) — descriptions of inspections, tests and condition monitoring carried out and the intervals at which they were done;
 - (d) — material changes to work backlogs;
 - (e) — alternative **programmes** considered;
 - (f) — all cost benefit analyses undertaken;
 - (g) — all contingency factors provided for, including how they were calculated and the uncertainties they account for;

~~(h) any **step change** from historical costs in any cost component included in the **identified programme** and its effect on the **opex forecast**; and~~

~~(i) how the **service measures** identified in accordance with clause D4(b) were taken into account.~~

~~(5) For each relevant **policy** identified in response to subclause (1)(c), explain-~~

~~(a) how it was taken into account and complied with; and~~

~~(b) how the relevant **planning standards** were incorporated in it.~~

~~(6) For each **key assumption** identified in accordance with subclause (2)(b)(i), explain-~~

~~(a) the method and information used to develop the assumption; and~~

~~(b) how the assumption has been applied and its effect on the **opex forecast**.~~

~~D12D9~~ **Non-networksystem fixed assets capital expenditure information**

(1) In addition to the information required by clause 13 of Attachment A of the ID Determination, for **non-system-network fixed assets capex** in the **capex forecast** provide the rationale and the basis for determining the forecast amount, including a description of any modelling used, for the expenditure in the largest two of the following expenditure categories by dollar value:

(a) ~~asset management~~information and technology systems;

(b) ~~information and technology~~asset management systems;

~~(c) motor vehicles;~~

~~(d)~~(c) office buildings, depots and workshops;

(d) office furniture and equipment;

(e) motor vehicles; and

(f) tools, plant and machinery.

(2) The information required by subclause (1) need not be provided if the total non-network assets capex forecast is less than 5% of the total capex forecast.

~~D13D10~~ **General management, administration and overheadsBusiness Support, System Operations and Network Support operating expenditure category**

(1) For **business support opex** and **system operations and network support opex** describe-

- (a) details of the extent to which ~~these costs~~ business support and network support costs have been included in the capex forecast. Sufficient information must be provided to enable the actual and forecast allocation of **business support opex** and **system operations and network support opex** costs to capex to be separately identified for each disclosure year of both the current period and the next period.
- (2) Identify all relevant documents, policies and consultant reports that were taken into account in preparing these opex forecasts
- (3) Describe any anticipated material changes to the information provided in subclause (1) over the course of the next period, including the rationale for and timing of the changes, and the impact of the changes on the opex forecast.
- (4) Describe the approach used to prepare the relevant opex forecast including-
- (a) each relevant key assumption including the rationale for the assumption;
 - (b) any models used;
 - (c) the rationale for any new expenditure or step change from current levels of expenditure over the next period.
- (5) Where appropriate, the information required by this clause should be provided separately for **business support opex** and for **system operations and network support opex**.

D11 Identified Projects and Programmes

- (1) Where not already included in information required by Attachment A of the ID Determination ~~For~~ each identified project and programme provide-
- (a) a description of the project or programme including:
 - (i) what the project or programme will accomplish;
 - (ii) location of the project or, if relevant, of the programme;
 - (iii) assumed quantities and ratings of major assets, including the rationale for these assumptions;
 - (iv) where appropriate, a high-level single line diagram showing the assumed layout of the project and interfaces with the existing network; and
 - (v) other information consistent with the nature of the project or programme that is necessary to fully describe the scope of the project and what is involved in its implementation;

- (b) description of the rationale for the project or programme including the extent to which it meets the expenditure objective;
- (c) a statement as to the project's or programme's current status in the planning process;
- (d) an overview of potential alternatives, including non-network alternatives, and the basis for selection of the preferred option, the information provided to be commensurate with the project's or programme's current status in the planning process;
- (e) the rationale for the proposed timing of the project or, where relevant, programme;
- (f) where applicable, an assessment of the impact of the project or programme on the service levels provided by the EDB;
- (g) if a programme is a continuation or extension of an existing programme, the rationale for any material changes in the forecast expenditure from the level of expenditure on the programme during the current period;
- (h) a detailed breakdown of the estimate of the project or programme costs, disaggregated by disclosure year including a similar breakdown of any project or programme costs incurred during the current period;
- (i) in addition to the breakdown provided in response to subclause (f):
 - (i) a description of the methodology used to prepare the estimate;
 - (ii) where applicable, the quantities provided for in the project or programme cost;
 - (iii) if not provided elsewhere in the CPP proposal, evidence that all unit or component costs used to compile the estimate are consistent with efficient current-costs for the electricity distribution industry, taking due account of the project location; and
 - (iv) identification of scope or cost uncertainties and an explanation of how such uncertainties have been taken into account in the estimate; and
- (j) details of how the EDB proposes to measure and manage the efficiency of the implementation of the project or programme;
- (k) a description of any cost benefit analyses relevant to the project or programme undertaken by or for the EDB.

~~(1) For the **general management, administration and overheads opex category**~~

~~(a) identify~~

~~(i) each relevant **key assumption**;~~

~~(ii) each relevant **obligation**; and~~

~~(iii) any **step change** and its effect on the **opex forecast** for this category; and~~

~~(b) explain~~

~~(i) whether a **base year approach** was used in forecasting, and if so, identify the **base year** used and, if it is not a year in the **current period** (for which data is required to be provided in a **CPP proposal**), provide the relevant data from that **base year**;~~

~~(ii) all departures from any conclusions and recommendations contained in each consultant's report identified in accordance with clause D12(1)(c); and~~

~~(iii) the methodology used to generate the **opex forecast** for this category.~~

~~(2) For the purpose of subclause (1)(b)(iii), such methodology must include, as a minimum, details regarding~~

~~(a) any cost benchmarking undertaken by or for the **EDB**;~~

~~(b) internal historical cost trends relied upon;~~

~~(c) all contingency factors provided for, including how they were calculated and the uncertainties they account for; and~~

~~(d) the effect of any **step change** on the costs in the **general management, administration and overheads opex category**.~~

~~(3) For each relevant **policy** identified in the response to clause D12(1)(c) explain how it was taken into account and complied with.~~

~~(4) For each **key assumption** identified in accordance with subclause (1)(a)(i), explain~~

~~(a) the method and information used to develop the assumption; and~~

~~(b) how the assumption has been applied and its effect on the **opex forecast** for this **opex category**.~~

~~D14 Operating expenditure projects and programmes~~

~~For each **project** and **programme** (other than **identified programmes**) included in the **opex forecast**~~

- ~~(a) explain how each of the relevant policies identified in the response to clause D12(1)(c) was taken into account and complied with;~~
- ~~(b) explain how the relevant planning standards have been incorporated; and~~
- ~~(c) provide details of all contingency factors provided for, including how they were calculated and what uncertainties they account for.~~

~~D15~~**D12** Self-insurance Risk management

- (1) In addition to the information required by clause 14.3 of Attachment A of the ID Determination, F for any proposed self-insurance allowance-
 - (a) provide-
 - (i) a description of the uncertainties covered by the allowance;
 - (ii) the methodology used to calculate the self-insurance risk premium (e.g. probability multiplied by consequence);
 - (iii) a report on the calculation of each self-insurance risk premium from an actuary who is qualified to provide such advice; and
 - (iv) any quotes obtained from external insurers; and
 - (b) explain why compensation should be provided for the uncertainty.
- (2) In respect of each quote provided in accordance with subclause (1)(a)(iv)-
 - (a) state-
 - (i) the amount insured for which the quote related (if not included in the quote itself);
 - (ii) the annual premium payable or paid by the **EDB**;
 - (iii) the size of any deductible;
 - (iv) the terms and conditions of the insurance; and
 - (v) why it is not considered suitable.
- (3) Explain whether and, if so, how the costs of remediating the effects of each uncertainty for which the allowance is sought may be recovered through any other mechanism.

~~D16~~ Controllable opex

~~For each disclosure year of the next period provide-~~

- ~~(a) a description of the types of **opex** comprised in the forecast for **controllable opex**; and~~
- ~~(b) justification for why the **opex** referred to in paragraph (a) should be determined as **controllable opex**, including a description of how the **EDB** is able to control the amount of **opex** over the **CPP regulatory period**.~~

~~D17D13 **Related parties** *[this section was not considered as part of this process and has been removed for presentation purposes only]*~~

D14 Deliverability

- (1) In addition to clauses 14 and 16 of Attachment A of the ID Determination provide- an overview of, and outputs from, any deliverability risk assessment that the EDB has completed for part or all of the capex forecast and the opex forecast.
- (2) Where it has not been provided in risk assessment information under subclause (1), provide an overview of how the EDB plans to ensure the deliverability of the activities provided for in the capex forecast and the opex forecast, relate with particular reference to:
 - (a) a description of the prioritisation or other methodologies used to optimise delivery;
 - (b) the extent to which additional activities will be undertaken internally or outsourced;
 - (c) the EDB's ability to implement any planned step change from historical levels of expenditure and workload, including:
 - (i) the ability of contractors available to the EDB to deliver any proposed increase in workload;
 - (ii) the current level of skilled personnel, including engineering and project management personnel, available to the organisation compared to the anticipated requirement over the next period; and
 - (iii) the measures the EDB plans to take to source and secure the required additional personnel.

~~D18D15 **Unit costs and expenditure escalators** *(this section as not considered as part of this process and has been removed for presentation purposes only)*~~